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PP RUEHAG RUEHAST RUEHDA RUEHDF RUEHFL RUEHIK RUEHKW RUEHLA RUEHLN  
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DE RUEHMO #5701 3381514  
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P 041514Z DEC 07  
FM AMEMBASSY MOSCOW  
TO RUEHC/SECSTATE WASHDC PRIORITY 5672  
INFO RUCNCIS/CIS COLLECTIVE PRIORITY  
RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY  
RUEHDX/MOSCOW POLITICAL COLLECTIVE PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY  
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY  
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY

UNCLAS MOSCOW 005701

SIPDIS

SIPDIS  
SENSITIVE

DEPT FOR EUR/RUS, FOR EEB/ESC/IEC GALLOGLY AND WRIGHT  
EUR/CARC, SCA (GALLAGHER, SUMAR)  
DOE FOR HARBERT, HEGBORG, EKIMOFF  
DOC FOR 4231/IEP/EUR/JBROUGHER

E.O. 12958: N/A

TAGS: [EPET](#) [ENRG](#) [ECON](#) [PREL](#) [RS](#) [TX](#)

SUBJECT: EMBASSY OF TURKMENISTAN REITERATES: "WE ONLY SELL  
GAS AT THE BORDER"

REF: A. ASHGABAT 1297  
[B](#). MOSCOW 5563  
[C](#). ASHGABAT 1283

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SUMMARY  
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[1](#). (SBU) Embassy of Turkmenistan Econ Counselor Murat Yazberdiyev reiterated to us November 30th that Turkmenistan is only interested in selling gas "at the border." That said, Turkmenistan had no objections to others either improving existing pipelines or building new ones through which to export Turkmen gas. He was confident Turkmenistan would have the gas to fill its commitments. End summary.

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"TOO COMPLICATED TO SELL BEYOND BORDER"  
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[2](#). (SBU) In a November 30th meeting at the Embassy of Turkmenistan, Econ Counselor Murat Yazberdiyev said his country is "not interested in investing in pipelines and projects outside its borders." He said "it is too complicated to sell beyond the border," citing intergovernmental agreements, legal issues, and contract negotiations as examples of potential difficulties. On the agreement to increase gas prices to Russia (refs A and B), he added that there was also an "oral agreement" to increase volumes, but he did not elaborate.

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BUT PROLIFERATING EXPORT ROUTES  
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[3](#). (SBU) Yazberdiyev said the recent announcement related to construction of a new gas pipeline along the Caspian to Russia (ref A) was "just a declaration" of a project on which both sides had previously agreed; "no new documents were signed." However, the new pipeline would add another 30 bcm of export capacity north, and its construction was expected to begin in the second half of 2008. He added that Turkmenistan and Gazprom are also upgrading the existing pipeline to Russia, increasing its capacity from 40-45 bcm to 80 bcm.

¶4. (SBU) Yazberdiyev said the expected 30 bcm pipeline east that China plans to build should be completed by the end of 2009, with Kazakhstan and Uzbekistan contributing volumes. He also volunteered that Turkmenistan and Iran are working together to increase from 8 bcm to 14 bcm the volume of gas sales via pipeline to Iran. Finally he called the Trans-Caspian pipelines, Nabucco and South Stream "just pieces of paper" for now.

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IS THERE ENOUGH GAS?  
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¶5. (SBU) Yazberdiyev was not concerned about Turkmenistan's ability to produce the needed gas, explaining that Turkmenistan produced 93 bcm at its peak during Soviet times, that internal consumption is just 10 bcm, and that the country is optimistic about its untapped potential.

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COMMENT  
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¶6. (SBU) For Turkmenistan to become more interested in sending gas west, it would likely need to boost production. It would also have to contend with Russian opposition. However, Russia's grip on Turkmen gas will weaken as other routes come on line or are upgraded. End comment.  
BURNS